

FY 11-12 Water Transmission System Budget & Rates

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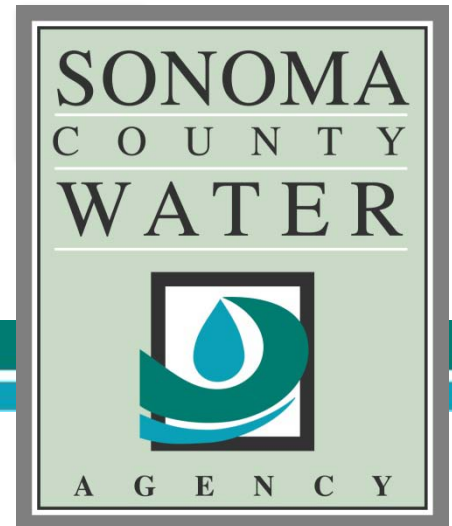
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Proposed FY 11-12 Rate Changes

	Santa Rosa Aqueduct	Petaluma Aqueduct	Sonoma Aqueduct
Rate Change	5.00%	5.00%	4.28%

Rate Setting Calculation

$$\frac{\text{Cost of Operations and Maintenance}}{\text{Water Sold}} = \text{Cost of Water (Dollars per acre-foot)}$$

↑
Water Sold = Lesser of:

Average of last 3
years annual
water deliveries

or

Last 12 months
of actual water
deliveries

Primary Factors Affecting Rate Increase

Factor	Impact on Rates (Approx.)
Reduced Deliveries*	+4.00%
Increase to Watershed Planning Rest. (B.O.)	+3.25%
“Minimum Prudent Reserve” Charge**	+0.75%
Net Reduction in Other Expenses	-3.00%
Overall Increase	+5.00%

*Note: 47,848 Ac Ft in the Prior 12 Months Vs. 49,853 Ac Ft used in the 10-11 rate calculation.

**The Prudent Reserve Target is \$5.17 million. Without a \$250,000 charge, the fund balance is estimated to fall below this target.

Key Areas of Reductions in O&M

Spending Area	Amount of Reduction
Overall Reduction in “Services and Supplies”	\$1,055,500
This Includes:	
Labor	\$400,000
Power	\$350,000
Consultant Services	\$9,000

Air Valve Project

- Project replaces original air valves with valves that have stainless steel bodies & Teflon inner parts to eliminate rusting.
- Will bring all air-valve venting above grade to eliminate potential cross contamination.



Installing New Upgraded Air Valves



Old Style 2" Air Valve in Below Ground Vault

Adding New Mainline Valves

- Part of this system reliability upgrade, includes new mainline isolation valves.
- Eliminates large gaps between valves when we need to isolate sections for maintenance or emergency leak repairs.
- This makes shut downs more efficient with less water loss and downtime.



New Butterfly Valve Lowered into Place



Newly installed valve

FY 11-12 Biological Opinion Projects

(Paid from Water Transmission and Watershed Planning/Restoration Funds)

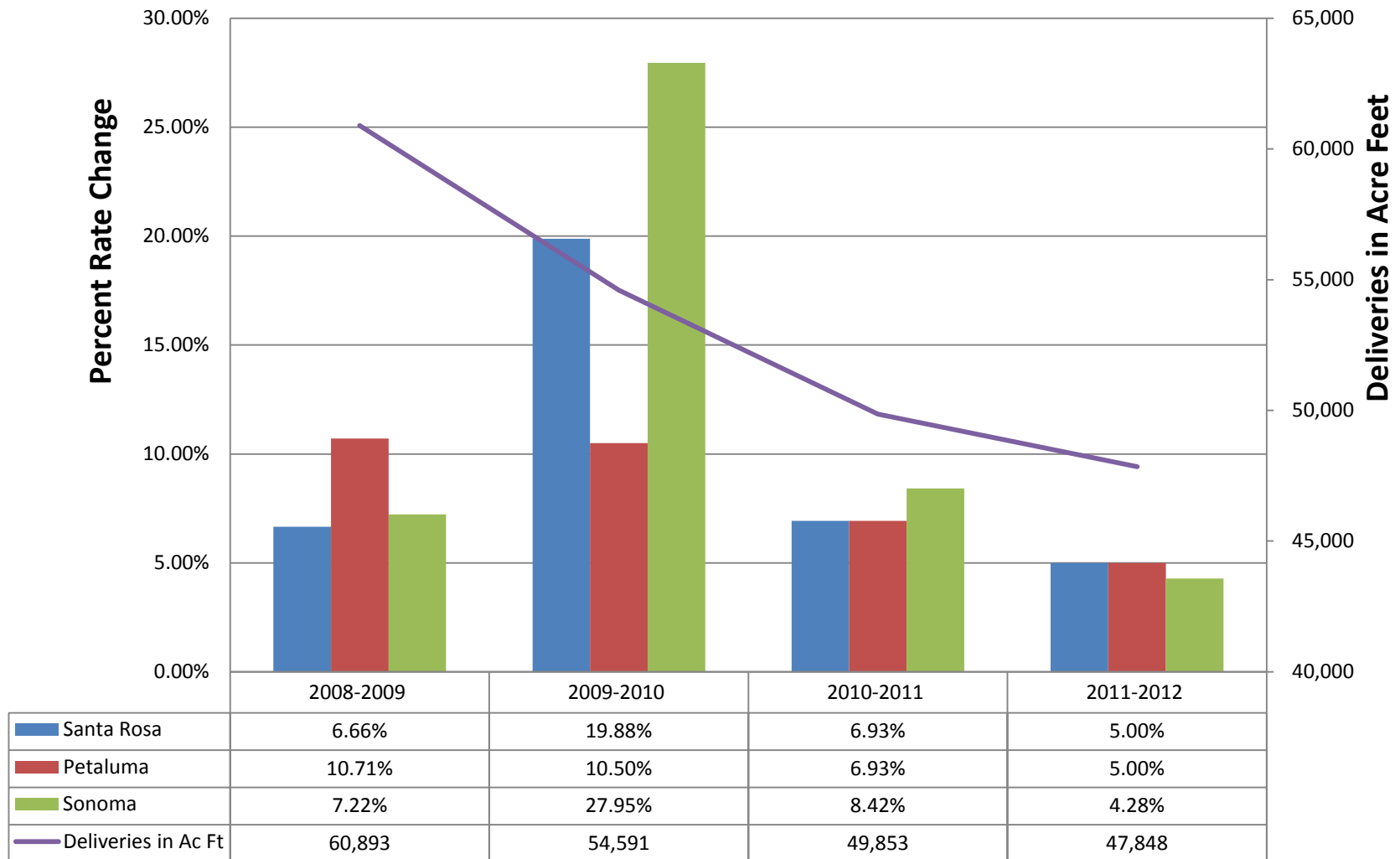
<i>Project Management</i>	\$ 330,000
<i>Decision 1610 Change Petition</i>	930,680
<i>Estuary Management & Monitoring</i>	1,350,000
<i>Decommissioning Wohler Ponds (Completion)</i>	200,000
<i>Mirabel Dam Salmonid Monitoring Program</i>	201,000
<hr/>	
Total	\$3,011,680

Proposed Rates for FY 11-12

Charge / Aqueduct	Santa Rosa	Petaluma	Sonoma
O&M	\$ 439.04	\$ 439.04	\$ 439.04
Water Mgt Planning	4.18	4.18	4.18
Watershed Planning & Restoration	54.56	54.56	54.56
Recycled Water	18.13	18.13	18.13
Water Conservation	31.45	31.45	31.45
Total O&M	\$ 547.37	\$ 547.37	\$ 547.37
Capital Charges	0.00	0.00	0.00
Storage and Common Bond and Loan Charges	86.74	86.74	86.74
Sonoma Aqueduct Bond and Loan Charge			69.22
Total Prime Contractors Rates	\$ 634.11	\$ 634.11	\$ 703.33



Water Agency Rate Changes and Deliveries



Next Steps

- **The Technical Advisory Committee unanimously recommended this budget on January 10th**
- **Vote by Water Advisory Committee – March 7th**
- **Adoption by the Board of Directors – April 19th**

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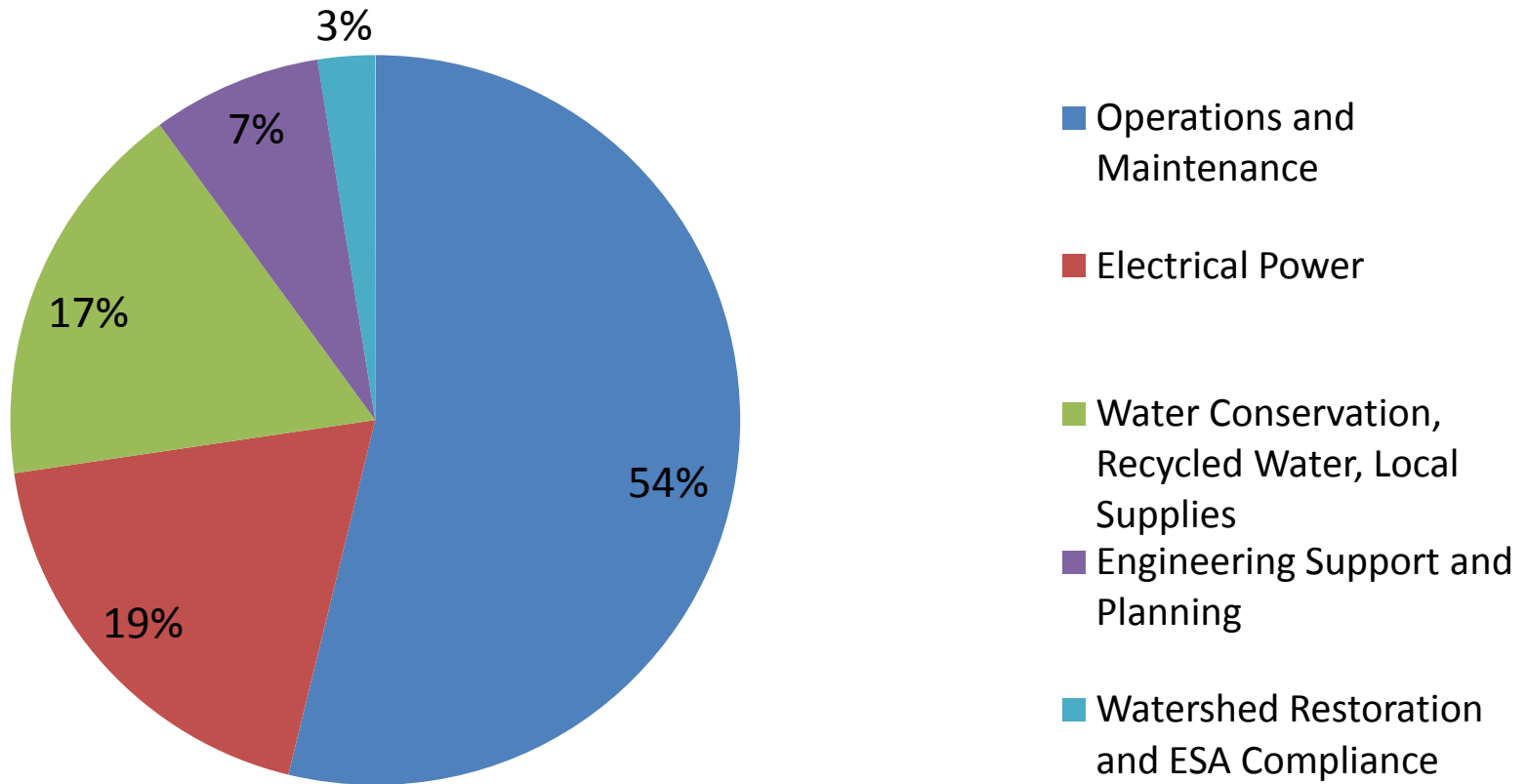
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Where the Money Goes

Expenditures - 5 Years



Maintenance Projects

Description		Amount
Pond Flow Monitoring Instruments		75,000
Ralphine No 4 Cathodic Protection		144,000
Covers for Caissons 3, 4, & 5		15,000
Rebuild River Diversion System 100 HP Motor		20,000
Battery Service Agreement		9,000
Telemetry System Replacements (RTU) with SCADA pack		75,000
Test Equipment and Software		15,000
Wilfred Booster Motor & Switch Maintenance		75,000
Mirabel Caisson 4 - Electrical Maintenance		100,000
Transfer Switch Maintenance		25,000
Water System Instrument Spares		50,000
Water Treatment - Lab Process		90,000
Electrical & Mechanical Supplies		200,000
Wohler/Mirabel switchgear & transformer maintenance		60,000
Wohler Transformer Maintenance		25,000
Wohler/Mirabel and Warm Springs Dam 12 kV Pole Maintenance		80,000
Cassions and Laguna Wells		100,000
Miscellaneous Maintenance Projects		100,000
Total		\$1,258,000

Capital Improvement Projects

Project	Category	Amount
Santa Rosa Aqueduct - LHMP - Program Design	Pipeline	\$ 25,000
Petaluma Aqueduct - LHMP - Program Design	Pipeline	25,000
Petaluma Aqueduct Cathodic Protection	Pipeline	886,000
Sonoma Aqueduct - LHMP - Program Design	Pipeline	25,000
Pipeline Condition Assessments	Pipeline	200,000
Preliminary Alignment Eng Study (Reliability and Enhancement)	Storage	75,000
Kastania Check Valve Replacement	Storage	75,000
Isolation Valves	Common	150,000
Forestville Storage Tank	Common	722,000
Air Valves	Common	370,000
Decommission Wohler Ponds	Common	200,000
RDS Liquefaction Mitigation	Common	150,000
Collector Liquefaction Mitigation	Common	125,000
Russian River Crossing	Common	100,000
Mark West Creek Crossing	Common	10,000
Mirabel Dam Emergency Response Plan	Common	175,000
Collector 3 & 5 Liquefaction Mitigation Pre-Design	Common	50,000
Mirabel Potable Water Line	Common	150,000
Automated Meter Infrastructure	Common	200,000
		<u>\$ 3,713,000</u>